

DRAFT - SUBJECT TO REVIEW AND REVISION

LOWER MANHATTAN DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the Offices of the Corporation
One Liberty Plaza - 20th Floor
New York, New York 10006

March 26, 2009

MINUTES

In Attendance

Directors:

Avi Schick, Chairman
Lawrence T. Babbio, Jr. (via telephone)
Amanda Burden (via telephone)
Robert Douglass
Robert Harding
Caswell Holloway
Robert Lieber
Edward J. Malloy (via telephone)
Julie Menin
Kevin M. Rampe (via telephone)
William C. Rudin (via telephone)
Martha Stark (via telephone)
Carl Weisbrod
John Zuccotti (via telephone)

Staff Attending:

For Lower Manhattan Development Corporation:

David Emil, President
Irene Chang, General Counsel and Secretary
of the Corporation
Daniel Ciniello, Senior Vice President -
Operations
Stephen Konopko, Vice President - Internal
Audit
Sayar Lonial, Director of Planning and
Development
Robert Miller, Chief Financial Officer
Michael Murphy, Press Secretary
Angela Rossi, Director of Projects and
Programs
Andrew Wu, Deputy General Counsel

Other Staff

For the Lower Manhattan Construction Command Center:

Robert Harvey, Acting Executive Director

For Assembly Speaker Sheldon Silver:

Judy Rapfogel, Chief of Staff

Counsel to the Board:

Caitlin Halligan, Weil, Gotshal & Manges

Also Present:

The Public

The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:40 a.m. It was noted for the record that notice to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

First, Chairman Schick noted that since the Directors had received the resolutions for consideration in advance of today's meeting, he would not read the entire resolution into the record.

Chairman Schick then called for the approval of the Minutes of the January 21, 2009 Directors' Meeting.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT THE JANUARY 21, 2009 MEETING OF THE DIRECTORS OF THE LOWER MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on January 21, 2009, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting, as set forth in such minutes, are ratified and approved as actions of the Corporation.

* * *

Chairman Schick then reported on the recent activities of the Corporation with regard to 130 Liberty Street.

The Chairman opened by referencing the monthly update and progress reports that are posted for the public on the status of the building. He noted that these reports serve as a tool for holding the contractors accountable for dates, deadlines and schedules.

The Chairman then noted that the abatement continues on the building with three remaining floors to be worked on. He stated

that it is presently anticipated that those floors will be completed in April.

Next, the Chairman noted, among other things, that the goal is to begin deconstruction on May 15th, which should be completed by October.

Mr. Emil then asked the Directors to approve the following resolution of appreciation for J. Max Bond, Jr. who, he noted, had passed away earlier this year. He added that Mr. Bond was very influential in planning for the Memorial and Museum.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

Acknowledgement of the Contributions and Accomplishments of J. Max Bond Jr. and to Commend Him for His Service to the Lower Manhattan Development Corporation

WHEREAS J. Max Bond Jr. astutely understood that architecture can have an important economic and social impact on people's lives;

WHEREAS, Max implemented this vision through his and his firm Davis Brody Bond LLP's crucial role in helping realize an extraordinary design for both the Memorial and the Museum honoring all the innocent lives lost on September 11th;

WHEREAS, Max believed that architecture was a social art, one which could make a meaningful difference in people's lives, he cared deeply about the people who would use or inhabit his buildings and how their lives could be bettered by his work;

WHEREAS, Max throughout his lifetime of work broke through the barriers of discrimination to become one of the most influential architects and educators in the world;

WHEREAS, Mr. Bond was widely regarded as a mentor, a voice of social responsibility in practice, and a magnetic presence in the world of architecture and beyond;

WHEREAS, Mr. Bond was the consummate professional and gentleman, whose perspective was always worthy of serious consideration and whose manner invited others to listen hard and consider that perspective; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors and the staff of the Lower Manhattan Development Corporation acknowledge and commemorate the outstanding contributions and distinction of J. Max Bond Jr. as an architect, a mentor, an educator and a public servant, whose vibrancy, vision and dedication will have a profound and lasting impact on New York.

* * *

Next, the Chairman asked Director Babbio to provide the Audit and Finance Report.

Director Babbio then reported that the Committee met to review the LMDC and the LMCCC operating budgets for fiscal year 2009/2010. He stated that the Committee recommends adoption of both budgets.

Director Babbio further noted that the Committee also reviewed the purpose, cost justification and the availability of funds for the items being presented for consideration today and that the Committee recommends, based on that criteria, that all

the requests be considered for approval by the Board.

Lastly, Director Babbio noted that the Committee met with the internal auditor and reviewed and approved the internal audit plan for the next fiscal year.

Following Director Babbio's report, the Chairman reported on both budgets in detail. Among other things, the Chairman explained that part of the budget anticipates LMCCC moving its offices down to the floor that LMDC utilizes. This space, he noted, is available and unused and will allow the Corporation to achieve some savings.

Following his full presentation, the Chairman called for questions or comments.

Director Weisbrod noted his support for the budget stating that it was a step in the right direction. He added that he would encourage LMDC, LMCCC and the City to move ahead in rationalizing the relationships among the parties so that further cost savings can be achieved and resources will be deployed in the best possible way.

Director Harding then inquired with regard to the \$250,000

contingency referenced in the LMDC budget for consultants. A brief discussion ensued and the Chairman clarified that if it becomes necessary to use these moneys, the contracts will be brought before the Board for approval. He further noted that discussion would be had with the City prior to bringing any such contract before the Board.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of Lower Manhattan Development Corporation Budget
for FY2009-2010

RESOLVED, that the budget of the Corporation for fiscal year 2009-2010 is hereby adopted as presented to this meeting; and be it

FURTHER RESOLVED, that the President and the Chief Financial Officer are authorized and directed to implement and carry out the budget and are directed to inform the Board of material variances from the budget.

* * *

Next, the Chairman asked the Directors to approve the Lower Manhattan Construction Command Center Budget for fiscal year 2009-2010.

Upon motion duly made and seconded, the following

resolution was unanimous adopted:

Approval of Lower Manhattan Construction Command Center
Budget for FY2009-2010

RESOLVED, that the budget for Lower Manhattan Construction Command Center ("LMCCC") operations for fiscal year 2009-2010 is hereby adopted as presented to this meeting; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are authorized and directed to implement and carry out said budget for LMCCC operations and are directed to inform the Board of material variances from the budget.

* * *

The Chairman then asked the Directors to authorize LMDC to amend Partial Action Plan 2 relating to the Job Creation and Retention Program and to amend its subrecipient agreement with the Empire State Development Corporation with regard to that program.

The Chairman outlined the specifics of this request, noting, in part, that the subrecipient agreement will be amended to modify the criteria for grant eligibility and to extend the date for grant eligibility.

Director Lieber noted the importance of these changes to this Program which is a joint City and State effort. He explained that the changes will allow the entities to be more

competitive in attracting smaller businesses and new businesses to Lower Manhattan. This is of particular importance, he stressed, given the current economic climate.

Director Menin asked for information regarding the risk of businesses leaving the area as listed in the criteria.

The Chairman noted that while, in recent years, attraction has been the largest part of this Program, job retention has been and will continue to be an important component of it as well. Director Lieber noted his concurrence with the Chairman's statement.

Director Weisbrod asked if there is sufficient funding to meet the demand. The Chairman noted that overall the funds should be sufficient as the program transitions to smaller businesses. Further, brief discussion was had with regard to the amount of funding available as well as with regard to possible other funding sources should the demand outweigh that amount.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Partial Action Plan 2 and to Amend Subrecipient Agreement with Empire State Development Corporation for Job Creation and Retention Program

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 2 relating to the Job Creation and Retention Program (the "Amended Partial Action Plan"), as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to submit for public comment and review by the federal Department of Housing and Urban Development ("HUD") the Amended Partial Action Plan, as may be required; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee shall be authorized to make such changes to the Amended Partial Action Plan as may be necessary or appropriate to comport with applicable HUD requirements and to reflect any public comments solicited and received thereon; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized to amend its subrecipient agreement with Empire State Development Corporation for the Job Creation and Retention Program, to modify the criteria for grant eligibility and to extend the date for grant availability, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be subject to approval by HUD of the Amended Partial Action Plan submitted for such purpose and shall be allocated from funds included therein; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

Mr. Emil then asked the Directors to authorize LMDC to enter into a subrecipient agreement with the Port Authority of

New York and New Jersey to provide funds for final design services related to the World Trade Center Performing Arts Center. The Directors were also requested to authorize the modification of LMDC's Funding Agreement with the City of New York.

Mr. Emil provided a lengthy and detailed presentation with regard to the specifics of these requests.

Following this presentation, the Chairman called for questions or comments. Director Douglass asked if a universal foundation was being installed since it is not known at this time what the ultimate performing arts center will look like. Mr. Emil explained that the foundation that is being installed is the maximum foundation which can be provided given the site constraints.

The Chairman noted that this was the appropriate action to take as it will maximize the options going forward.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Subrecipient Agreement with The Port Authority of New York and New Jersey for Foundation Design; Modification of Funding Authorization with the City of New York

RESOLVED, that the Corporation is hereby authorized to enter into a subrecipient agreement with The Port Authority of New York and New Jersey to provide funds for final design services related to the World Trade Center Performing Arts Center, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the amount to be expended by the Corporation pursuant to such subrecipient agreement shall not exceed \$2,000,000 in the aggregate, which expenditures shall be allocated from funds included in Partial Action Plans 8 and 11; and be it

FURTHER RESOLVED, that the previous authorization to provide up to \$55,000,000 in funding to the City of New York for ongoing planning, design, development, and construction of the World Trade Center Performing Arts Center is hereby reduced by \$2,000,000 to an amount not to exceed \$53,000,000 in the aggregate, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

The Directors were then asked by Mr. Harvey to authorize LMDC and LMCCC to amend their contract with LiRo Program and Construction Management to increase the authorized expenditures to \$4,605,000 and to extend the term of the contract for an additional year through March 31, 2010.

Following this detailed presentation, the Chairman called for questions or comments. Hearing none, upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Contract with LiRo Program and Construction Management

RESOLVED, that the Corporation is hereby authorized to amend its existing agreement with LiRo Program and Construction Management to increase the authorized expenditures thereunder by \$4,605,000 to an amount not to exceed \$14,663,546 in the aggregate, and to extend the term for an additional year through March 31, 2010, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be committed to and allocated upon commitment of funds provided to the Corporation under Lower Manhattan Construction Command Center's grants from Federal Transit Administration and funding agreements with The Port Authority of New York and New Jersey, the Metropolitan Transportation Authority, and the New York State Department of Transportation; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be subject to authorization of work orders on a quarterly basis, including evaluation of the scope, schedule and fees associated with each quarterly period; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

Mr. Harvey called on Ms. Bobb, the Director of Opportunity Downtown, to present the next item. Ms. Bobb asked the Directors to modify its authorization for LMDC to enter into a

subrecipient agreement for a Cost Estimators Training Program.

Following this detailed presentation, the Chairman called for questions or comments. Hearing none, upon motion duly made and seconded, the following resolution was unanimously adopted:

Modification of Authorization to Enter into Subrecipient Agreement for Construction Cost Estimators Training Program

RESOLVED, that the Corporation is hereby authorized to amend its subrecipient agreement with The City University of New York on behalf of the Borough of Manhattan Community College ("BMCC") to increase the authorized expenditures thereunder by \$18,000 to an amount not to exceed \$100,000 in the aggregate and to expand the scope of activities thereunder in furtherance of the technical skills training program, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the subrecipient agreement amendment with BMCC approved hereby shall replace the subrecipient agreement the Board previously authorized the Corporation to enter into with Building Trades Employers' Association ("BTEA") for such purpose, without any expenditure to BTEA having been made by the Corporation in connection therewith; and be it

FURTHER RESOLVED, that expenditures approved hereby shall be allocated from federal Department of Housing and Urban Development funds provided by the Corporation to Lower Manhattan Construction Command Center for the Opportunity Downtown Program; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

Ms. Chang then asked the Directors to authorize the

Corporation to amend its contract with Dewey & LeBoeuf LLP.

Following this detailed presentation, the Chairman called for questions or comments. Hearing none, upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Contract with Dewey & LeBoeuf LLP

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Dewey & LeBoeuf LLP for legal services in the areas of environmental, land use and real estate matters, to increase the authorized expenditures thereunder by an additional \$850,000 to an amount not to exceed \$7,500,000 in the aggregate, and to extend the term of such agreement for an additional 17-month period through August 31, 2010, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in the appropriate Partial Action Plans or through the Legal Affairs Department Budget for the corresponding fiscal year; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

Lastly, the Chairman asked the Directors to authorize LMDC to amend its contract for Business Integrity Consulting Services.

Following this presentation, the Chairman called for

questions or comments. Hearing none, upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Contracts for Business Integrity Consulting Services

RESOLVED, that the Corporation is hereby authorized to amend its agreements with Thacher Associates, LLC, Kroll Inc., and The Bradlau Group, LLP, for business integrity consulting services, to extend the term of such agreements for an additional two-year period, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

There being no further business, the meeting was adjourned at 9:30 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary